



JOSEPH R. BIDEN, III
ATTORNEY GENERAL

DEPARTMENT OF JUSTICE
820 NORTH FRENCH STREET
WILMINGTON, DELAWARE 19801

CONTACT JASON MILLER
PUBLIC INFORMATION OFFICER
PHONE (302) 577-8949
CELL (302) 893-8939
Jason.Miller@state.de.us

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Attorney General's Office Contact: Jason Miller

Work: (302) 577-8949

Cell: (302) 893-8939

House Contact: Drew Volturo

Work: (302) 744-4001

Cell: (302) 593-5969

Homeowners Facing Foreclosure Get Helping Hand From Foreclosure Prevention Office

New office pushed by Attorney General Biden, legislators serves as resource throughout foreclosure process

Wilmington – Homeowners facing foreclosure throughout Delaware are now receiving vital assistance thanks to a new law championed by Attorney General Beau Biden and legislative leaders.

Sponsored by Representatives Helene Keeley, John Kowalko, Robert Gilligan and Mike Ramone and Senator Bethany Hall-Long, House Bill 59 created the new Office of Foreclosure Prevention and Financial Education in the Attorney General's Office. HB 59 was part of a bipartisan package of legislation drafted by the Department of Justice and enacted this year that responds to the foreclosure crisis.

The new office, part of the Attorney General's Consumer Protection Unit, is headed by Gerard Kelly, who most recently served as Deputy State Bank Commissioner where he focused on consumer outreach and education. Kelly is a former member of the Wilmington City Council and a bank loan officer. The office will complement ongoing Department of Justice initiatives on mediation and outreach, and foster better communication between consumers, the Attorney General's Office, other state agencies, and other entities.

"This office is an important new resource for consumers who have fallen behind on mortgage payments, are facing foreclosure, or simply want to have a meaningful conversation with their lender about their loan," Attorney General Biden said. "We're focused on making sure that homeowners understand the foreclosure process, that they know all of their rights and responsibilities, and that they are able to consider all of assistance available to them, including the mandatory foreclosure mediation program that will begin next January."

The office is a key point of contact for consumers and is equipped to advise homeowners on their rights at every stage of the foreclosure process and direct them to available resources and information they need to make educated decisions. In cases where foreclosure fraud is suspected, the office will provide referrals to the Consumer Protection Unit for evaluation.

Rep. Keeley said that prior to HB 59, resources for homeowners facing foreclosure were scattered across several groups and state agencies, which made the process difficult for consumers. Placing those resources into the Office of Foreclosure Prevention and Financial Education in the Attorney General's office streamlines the process, she said.

"While everyone appreciates the efforts of the various state agencies and groups trying to help homeowners, having what is effectively one-stop shopping under the Attorney General's office will greatly benefit consumers," said Rep. Keeley, D-Wilmington South. "Homeowners only need to know one phone number, one place to go to get the help they need with foreclosures and financial literacy. This represents a huge step forward in combating foreclosures and helping homeowners get back on their feet."

Along with the Attorney General's Consumer Protection Unit, the Office of Foreclosure Prevention and Financial Education will continue to organize statewide housing workshops with a special emphasis on greater lender outreach and participation. Most recently, more than 150 Delaware families received services at two housing workshops sponsored by the Attorney General's office last week in Seaford and Wilmington.

"I think this will be a tremendous and welcome resource for Delawareans who, until now, have had to go through a bureaucratic hodge-podge to find someone to help," said Sen. Hall-Long, D-Middletown. "We know the costs of foreclosure to families and communities around the state. This is just another example of the effort we in state government are putting forth to stem that tide and keep people in their homes."

Of the 13,000 Delaware homeowners currently in the foreclosure process, approximately half are at a stage where Delaware's foreclosure mediation program can be helpful, and all homeowners facing foreclosure have options and resources available to them that they can discuss with the office.

Sheriff sales of foreclosed homes increased 33% statewide during the first ten months of 2011, climbing to 2,166 from 1,628 during the first ten months of 2010. Among Delaware counties, Sussex recorded the biggest jump, 63% to 551 sales from 339 last year. Statewide foreclosure filings for the first ten months of 2011 totaled 3,749, representing a reduced pace from the record 6,400 filed in all of 2010, but remaining at a historically elevated level.

Biden urged homeowners to contact the Office of Foreclosure Prevention and Financial Education by calling the Attorney General's Mortgage Hotline at 800-220-5424, e-mailing mortgage@state.de.us, or visiting www.attorneygeneral.delaware.gov/mortgageforeclosure. In addition, homeowners can contact Gerry Kelly directly at 302-577-5092.

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